



**State of Utah**

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July 2, 2007

Mark Andrews  
Office of Legal Research  
Utah State Capitol Complex  
W 210 House Building  
Salt Lake City, UT 84114-5210

Subject: Report to the Health and Human Services Interim Committee

Dear Mr. Andrews,

As required in UCA 62A-15-103.(2), we have completed the referenced report for State Fiscal Year 2007 and it is enclosed.

If you have questions, please direct them to Tracy Luoma, Administrative Services Director, Utah Division of Substance Abuse and Mental Health at 538-9844.

Sincerely,

John G Bell  
Auditor IV  
Utah Division of Substance Abuse and Mental Health

cc:  
Mark Payne, Director

## REPORT TO THE HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

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### Utah Division of Substance Abuse and Mental Health July 1, 2007

#### I. INTRODUCTION:

The following is a report to meet the statutory responsibility of the Division of Substance Abuse and Mental Health (DSAMH) in compliance with:

#### ***U.C.A. 62A-15-103.(2)***

- (g)** *Responsibilities of the Division of Substance Abuse and Mental Health, provide a written report to the Health and Human Services Interim Committee and Health and Human Services Appropriations Subcommittee on July 1, of each year, and provide an oral report if requested. That report shall provide information regarding:*
- (i) the annual audit and review;*
  - (ii) the financial expenditures of each local substance abuse authority and its contract provider and each local mental health authority and its contract provider;*
  - (iii) the status of the compliance of each local authority and its contract provider with its plan, state statutes, and the provisions of the contract awarded; and*
  - (iv) whether audit guidelines established under Section 62A-15-110 and Subsection 67-3-1(10) provide the division with sufficient criteria and assurances of appropriate expenditures of public funds; and*
- (h)** *If requested by the Health and Human Services Interim Committee or the Health and Human Services Appropriations Subcommittee, provide an oral report as requested.*

There are thirteen (13) Local Authorities organized in the State to provide mental health and substance abuse services. Site monitoring visits are required by State statute and focus on the Local Authority's adherence to its approved annual plan, state statutes and its compliance with the requirements set forth in the DSAMH contract. During FY 2007, all Substance Abuse and/or Mental Health Local Authorities and/or their comprehensive service providers were monitored.

The annual site visits include the following program and fiscal reviews:

1. Child Youth and Family Mental Health,
2. Adult Mental Health,
3. Substance Abuse Treatment,
4. Substance Abuse Prevention, and
5. Governance and Oversight components.

The annual monitoring process begins with a review of the prior year's site review report and documentation and reports submitted by the Local Authority during the year. The on site monitoring review is announced to the Local Authority and staff by letter. Once the initial pre visit review has taken place a team of DSAMH personnel conduct an on site review. Following the site visit, a report summarizing the details of the review is issued and issues requiring follow up assigned required completion dates. These dates are tracked by DSAMH personnel and follow up reviews scheduled when necessary to assess their completion.

The pre-visit review consists of the following steps.

- Program managers and financial personnel review the Local Authority's annual plan.
- A random selection of case files is selected for detailed review.
- Surveys completed by Local Authority consumers their family members are reviewed for satisfaction and opinions of treatment rendered in their behalf.
- Trends in types and frequency of treatments are studied and the results compared with data from similarly sized service providers.
- The previous year's report is reviewed to make sure that all items have been addressed since the last site review.
- The Local Authority's annual independent audit is reviewed to identify potential problems or areas requiring attention during the monitoring visit.

On the day of the on site monitoring review, an opening conference is held where all parties briefly review the activities to be accomplished. The Local Authority or its service provider and DSAMH staff coordinate the goals of the monitoring visit. A more comprehensive list of monitoring items specific to each program review is presented below.

Following each site review, a comprehensive report discussing the strengths and weaknesses of each program is presented to the Local Authority. Whenever a weakness is identified, DSAMH makes recommendations for improvement. Recommendations issued contain a requirement that the Local Authority respond with an action plan for correction by a specified date. DSAMH maintains a follow up record to track corrective actions to be implemented by the Local Authorities.

To the best of our knowledge, the information presented in this report represents an accurate evaluation of the services provided by the Local Authorities.

## II. **SUMMARY OF DSAMH FY2007 MONITORING (by program):**

The functional areas reviewed and results of the FY2007 oversight reviews are provided in the following summary and are presented by programs monitored.

### A. **Adult Mental Health:**

Utah Code Section 17-43-301 outlines the responsibilities of the local mental health authorities. Paragraph (4) (b) lists ten mental health services that must be provided to adults, youth and children. These mandated services are:

- i. inpatient care and services;
- ii. residential care and services;
- iii. outpatient care and services;
- iv. 24-hour crisis care and services;
- v. psychotropic medication management;
- vi. psychosocial rehabilitation, including vocational training and skills development;
- vii. case management;
- viii. community supports, including in-home services, housing, family support services, and respite services;
- ix. consultation and education services, including case consultation, collaboration with other county service agencies, public education, and public information; and
- x. services to persons incarcerated in a county jail or other county correctional facility.

Our monitoring reviews examined each local authority's compliance with these mandated services. In order to gauge compliance, each site review focused on the following areas:

- Reviews of charts and records,
- Personal interviews with staff and consumers,
- Division mental health staff visits to point of service delivery locations,
- Consumer satisfaction surveys received,
- Case reviews of therapeutic / clinical services provided, and
- A review of the mental health center policies.

The Division site monitoring team utilized generally accepted standards of care to monitor the quality of care provided by community mental health centers. The generally accepted standards are those endorsed by organizations such as Substance Abuse and Mental Health Services Administration (SAMHSA), American Psychiatric Association, and National Association of Social Workers etc.

Two Local Authorities reviewed were not providing residential care and services. DSAMH recommended that each center conduct a needs assessment and discuss options for ways to provide this mandated service. (Note: Each is located in a rural setting.) This service is costly because it requires the acquisition of a facility and staff to provide 24-hour care. Local Authorities providing residential treatment in urban areas can fill a 10 to 15 bed facility with regularity, but a rural Local Authority may only be able to fill one to three beds at any given time.

Except for the two instances referenced above all Local Authorities are providing the services mandated by statute. Listed below is a summary of our monitoring reviews. Although we have reported statistics showing less than full compliance with all mandated services, the noncompliance issues identified were mostly quality of or level of services issues. In general, these issues can be resolved with relatively minor changes to the Local Authority's policies and procedures.

1. Twelve of thirteen Local Authorities (92%) are compliant with the following mandated services:
  - 24-hour crisis care and services
  - Community supports, including in-home services, housing, family support services, and respite services
  - Consultation and education services, including case consultation, collaboration with other county service agencies, public education, and public information
  - Services to persons incarcerated in a county jail or other county correctional facility
2. Eleven of thirteen Local Authorities (85%) are compliant with the following mandated services:
  - Inpatient care and services
  - Outpatient care and services
  - Psychotropic medication management
3. Ten of thirteen Local Authorities (77%) are compliant with the following mandated service:
  - Case management
4. Nine of thirteen Local Authorities (69%) are compliant with the following mandated services:
  - Residential care and services
  - Psychosocial rehabilitation, including vocational training and skills development

In each instance where full compliance is not evident, a recommendation has been issued to guide the Local Authority in its efforts to improve the statistic. A time frame for compliance has been determined and a follow up visit will be conducted to gauge improvement. In all instances DSAMH has offered technical assistance to the Local Authorities whenever necessary.

B. Child, Youth, and Family Mental Health:

The statutorily mandated mental health services identified in the Adult Mental Health section apply to children and youth with the exception of the requirement to provide services to persons incarcerated. In order to gauge compliance with these mandated services, each Child, Youth and Family Mental Health site review focused on the following areas:

- Reviews of charts and records,
- Case reviews of therapeutic / clinical services provided
- Discussion groups including:
  - Mental health center staff
  - Key stakeholders (educational institutions and other State agencies with an interest in youth mental health)
  - Family members and youth consumers.
- Observations of group programs in operation
- Discussions with community partners to gauge the mental health center service delivery
- Consumer satisfaction surveys received, and
- A review of the mental health center policies.

The results of our FY2007 site reviews indicate the following:

1. All 13 Local Authorities (100%) were fully compliant in the following mandated services.
  - inpatient care and services,
  - 24-hour crisis care and services and
  - case management
2. Twelve of thirteen Local Authorities (92%) were compliant in the following mandated services.
  - Residential care and services
  - Outpatient care and services
  - Consultation and education services, including case consultation, collaboration with other county service agencies, public education, and public information
3. Ten of thirteen Local Authorities (77%) were compliant the following mandated services
  - Psychotropic medication management
  - Psychosocial rehabilitation, including vocational training and skills development
4. Nine of thirteen Local Authorities (69%) were compliant in the following mandated service
  - Community supports, including in-home services, housing, family support services, and respite services

In each instance where full compliance is not evident, a recommendation has been issued to guide the Local Authority in its efforts to improve the statistic. A time frame for compliance has been determined and a follow up visit will be conducted to gauge improvement. In all instances DSAMH has offered technical assistance to the Local Authorities whenever necessary.

C. Substance Abuse Treatment:

The DSAMH FY2007 monitoring site visits focused on the following.

- A review of the current DSAMH substance abuse contract with the Local Authority;
- Substance Abuse Prevention and Treatment (SAPT) block grant compliance by examining the Local Authority's policy and procedures and through discussions with Local Authority substance abuse staff members;
- Outcome measures performance using the Utah Treatment Measures Report published by DSAMH;
- Clinical practices evaluated using the Substance Abuse Treatment Practice Guidelines adopted by the State Board of Substance Abuse and Mental Health in 2003, through discussions with the felony drug court team and interviews with consumers;
- Direct assessment services evaluated by conducting chart reviews; and
- Monitoring of substance abuse subcontractors by the Local Authority.

Substance abuse treatment monitoring involves a review of the following attributes for services provided.

- Confidentiality
  - Properly executed Consent to Release Information present in every file from which information is disclosed including all of the following.
    - Name of patient
    - Includes specific name or general designation of program permitted to make disclosure
    - Name/title of individual or organization to which disclosure is made and specific information to be disclosed
    - Signature of patient and guardian if minor and date signed
    - Statement that the consent is subject to revocation
    - Date, event, or condition upon which the consent will expire if not revoked before.
- Assessments
  - Interview with a licensed treatment professional
  - ASI for adults
  - Comprehensive, research-based instrument for youth (preferred)
  - Evaluation and documentation of current and historical alcohol and other drug issues
  - Evaluation and documentation of level of readiness for change
  - Evaluation and documentation of medical issues
  - Evaluation and documentation of legal issues
  - Evaluation and documentation of employment issues
  - Diagnosis of a substance abuse related disorder
  - Assessment findings drive treatment plan and placement decisions
  - Screening for co-occurring mental illness (preferred)
  - Completed within 3 days of admission or 3 sessions (except detox)
  - Signature of an appropriately licensed professional.
- Treatment Plans
  - Treatment Plan completed within 3 days or 3 sessions (except detox)
  - ASAM placement criteria documentation.
  - Individualized plan correlating with the ASI and ASAM documentation
  - Client Progress in reaching specified goals.
  - Signature of an app. licensed professional on plan and reviews.
  - Reviewed for continued appropriateness
    - 14 days for high intensity residential,
    - 30 days low intensity,

- 60 days for IOP or Day TX,
  - 90 days for general outpatient)
- Patient participation (preferred).
- Progress Notes Monitoring
- Every contact documented (preferred).
- Consistent with assessment and treatment plan (preferred)
- Discharge Planning and Continuity of Care
  - Discharge summary
  - Signature and title of an appropriately licensed professional.
  - Referrals and follow-up care provided (preferred)

Needs of the specific communities served determine the substance abuse treatments offered, consequently the program differs widely from location to location. Outcome measures are published annually by DSAMH and the next report will be issued in November 2007. In areas where a Local Authority scored below average, we discussed the problems in our reports and made recommendations for improvements.

All of the Local Authorities are operating under a current contract with DSAMH; however there were instances where there was a lack of compliance with all terms and conditions. In these circumstances, recommendations and timelines for compliance have been issued with offers of technical support from DSAMH staff.

The Local Authorities generally are in compliance with the requirements of the SAPT block grant. Recommendations for improvement have been issued where appropriate and follow up has been scheduled as necessary.

Consumer satisfaction was positive where data could be obtained but many of the service providers failed to obtain sufficient completed surveys to form any strong outcome. Where necessary, each Local Authority has received recommendations to strongly urge consumers and others to complete the surveys in order for the Local Authority to customize and respond to specific needs.

Our review of charts revealed that required forms were often missing. The most frequent infraction was a failure to have a correctly completed consent for the release confidential information present in every client file. There were instances where the documentation in the files was incomplete. Some treatment plans were generic in nature and failed to provide specific milestones and goals. Recommendations and specific deadlines for compliance have been issued and DSAMH staff follows up to monitor improvement in these areas.



D. Substance Abuse Prevention:

Each Local Authority is responsible for providing a comprehensive prevention plan for their area. The components of the substance abuse area plan include:

- A comprehensive continuum of substance abuse services [UCA 62A-15-103]
- A description of services [UCA 17-43-201]:
  - universal services (primary);
  - selected services (targeted);
  - integrated services (early intervention); and
  - treatment services.
- Provisions for services (directly or contracted) for adults, youth and children [UCA 17-43-201]
- Provisions for persons convicted of driving under the influence in violation of Section 41-6a-502 or 41-6a-517 [UCA 17-43-201]

Substance abuse prevention monitoring involves a review of prevention efforts carried out by the Local Authority. Substance abuse prevention is funded through the Substance Abuse Prevention and Treatment (SAPT) block grant and the Governor's portion of the Safe and Drug Free Schools and Communities money. DSAMH utilizes reports from the Prevention Administration Tracking System (PATs) to measure success in prevention efforts.

Site visits were conducted to review the Local Authority's monitoring efforts funded through the SAPT block grant and the Governor's portion of the Safe and Drug Free Schools and Communities money. Substance abuse prevention monitoring involves a review of the following attributes.

- Community Readiness and Mobilization
  - Communities targeted for prevention services
  - Reviews of minutes of advisory group meetings
  - Reviews of surveys
  - Discussions of community involvement in planning for and education about available prevention services
  - Training in the Risk and Protective Factor Model for all Prevention Advisory Group (PAG) members
- Needs Assessment and Prioritization of Risk Factors
  - PAG reviews of archival, community and Student Health and Risk Prevention (SHARP) survey data
  - Length of time since last prioritization of risk and protective factors
- Resource Assessment
  - Current resource directory maintained
  - Methods to avoid duplication in services
  - Modifications as necessary to meet prevention needs
- Targeting Prevention Efforts
  - Measurement of % of block grant money expended in each Institute of Medicine (IOM) classification
  - Methods to address cultural issues in universal interventions
- Best Practices
  - Use of science-based strategies in prioritization of risk/protective factors
  - Use of other science-based programs beyond State Incentive Cooperative Agreement (SICA)
  - Elimination or modification of ineffective programs and strategies

- How all SICA programs are sustained
- Evaluation
  - Procedures in place to measure success of goals and objectives
  - Compliance with evaluation guidelines established by evaluation work group
  - Logic models developed for each program/ service
  - All prevention program participants tracked in PATS
  - Annual, ongoing prevention program evaluations
  - Assignment of a records custodian and location of records
- Budgets
  - 20% of block grant money expended for prevention services?
  - Minimum of 50% of SICA money spent on science based programs?
  - Contractual amount of state general fund spent on prevention?
- Policies
  - Methods used to create comprehensive prevention strategy for communities
  - Do communities have a shared value of prevention?
  - Involvement of local substance abuse director in prevention planning and implementation
- Training/Reports
  - Determination that all staff remain certified in substance abuse prevention specialist training
  - SICA semi-annual reports submitted timely to meet deadline
  - Sub-recipient checklists submitted timely to meet deadline
- Sustainability
  - Efforts to sustain SICA programs

All of the Local Authorities are operating under a current contract with DSAMH; however there were instances where there was a lack of compliance with all terms and conditions. In these circumstances, recommendations and timelines for compliance have been issued with offers of technical support from DSAMH staff.

The Local Authorities generally are in compliance with the requirements of the SAPT block grant. Recommendations for improvement have been issued where appropriate and follow up has been scheduled as necessary.

A frequent positive comment by DSAMH staff related to the Local Authority's subcontractor monitoring efforts. When monitoring efforts were substandard, recommendations were issued requiring improvement in subcontractor monitoring.

In areas where Local Authorities have formed Inter-Local Agreements, there were instances where not all counties are served equitably. This could be attributed to more aggressive efforts in certain communities to obtain funds for prevention programs. Recommendations were made to encourage a more equitable distribution of funds if possible.

DSAMH staff through interview and observations determined that many substance abuse prevention providers have cultivated positive relationships with community coalitions in their prevention efforts.

The most frequent recommendation issued by the FY2007 monitoring teams was a need for service providers to improve their data collection efforts in order to obtain more

accurate and reliable data. Related to this issue were monitor comments that unclear data hindered the determination of substance abuse needs.

There were some instances where the data submitted to PATS was incomplete and the reports and information available was inconsistent and unreliable. Recommendations have been made for service providers to improve the accuracy of the data submitted so reports can be more meaningful.

One Local Authority failed to make full usage of the Governor's Safe and Drug Free Schools and Communities money and a recommendation was made to find ways to get this money into the hands of providers who can bolster substance abuse prevention in the communities.

E. Governance and Oversight:

Prior to each site visit, a Local Authority's Area Plan, contract, statistical data, and prior year reports are examined. During the site visit, DSAMH staff interviews agency staff and the Local Authority, or its designee. The Local Authority's compliance with its administrative policies and procedures is measured by an examination of documentation in its files.

The outcome of each of the items reviewed is provided in the following narrative.

**Purchasing policy:**

The focal point of every site visit is to ensure a Local Authority, and where applicable, its service provider, has and is in compliance with a comprehensive purchasing policy. All Local Authorities have purchasing and procurement policies. Some of these policies are more detailed and comprehensive than others.

We examined purchasing policies and selected samples of purchase transactions. We reviewed a random selection of purchase transactions from the checks issued during the fiscal year. From the general ledger we selected several transactions involving large purchases, staff reimbursements and payments for services for review. We reviewed the selected sample transactions to verify that checks have appropriate supporting documentation, original receipts, invoices and approval for payment. We included in our review an assessment of each payment for compliance with Federal cost principles.

We found some exceptions where a purchase was made without following policy and recommendations were issued to ensure compliance in the future. The explanations offered were sufficient to support a temporary divergence from the policy and the purchases in question were not material in nature. Our recommendations included a designation of a backup approval in the absence of the primary approver.

We observed that payments were issued only after proper approval had been obtained. We also note that there is a consistent Board of Director review of Local Authority expenditures at least quarterly.

Some of the more common exceptions found during the onsite review included:

- Use of required reimbursement forms and strict adherence to policy was inconsistent however in no instance was the dollar amount considered material
- There were instances where an appropriate approval signature or a receipt was missing.
- There were instances where receipts were not all present however; in all cases a substitute explanation was present explaining its absence.
- There were no systemic patterns of non-compliance noted.

**Reimbursement (including travel) to Executive Officers and Executive Director:**

We examined each Local Authority's policies and procedures for reimbursements to staff and reviewed board minutes to determine whether the Local Authority and/or its contracted provider authorized staff reimbursement requests. We reviewed financial records of the administering authority to test for appropriate approval of reimbursements and compliance with Federal Cost principals.

Reimbursements to staff were for necessary and required expenditures. Proper approval was present and in the case of executive staff was approved by the Board of Directors. We found that all Local Authorities have required policy and procedures including a requirement that documentation supporting all reimbursements be present.

**Board of Directors Oversight:**

Board minutes are a reliable source of information for ascertaining active Local Authority Governance and Oversight. We reviewed Board meeting minutes for the prior year paying attention to discussions of fiscal matters and substance abuse and mental health service delivery.

Board minutes examined during our monitoring visit document the Local Authority attendance, summarize the formal review of relevant issues such as Executive Director salary and travel pre-approval (ratification of expenditures after the fact in cases where travel was taken on short notice), management and personnel issues, budget and financial reporting and/or review, area plan review and approval, etc.

Six Local Authorities have chosen to contract all, or the majority, of services to Private Non-Profit (PNP) corporations. One large PNP has become the comprehensive service provider for three separate counties. Three other PNP corporations are comprehensive providers for combinations of counties joined through Interlocal Cooperation Agreements.

- a. Each of these four corporations has routine board meetings. Either an elected Authority or their representative routinely attends board meetings.
- b. The Local Authority attending these board meetings does participate as a voting member of the board.
- c. Executive staff of the PNP meets regularly and frequently with the Local Authority or their representative(s) for oversight purposes.

The remaining service providers are operated directly by county administration, Interlocal Board, or Special Services District Board. In these situations the county, or counties, directly provide services through a special services district, Interlocal treatment agency and/or contract with the private sector for specific service needs.

In each of the relationships described above, the oversight board covers a wide range of operational issues and governance responsibilities. Meeting minutes routinely include areas of oversight responsibility such as selection of Directors, wage of said Directors, personnel issues, expenditure and travel review and approval, programmatic decision-making and review, budget review, administrative decision-making including Policy and Procedure approval. For those operations where oversight appeared to require improvement, recommendations were included in our reports.

**Assurances:**

Included in each Local Authority's contract with the Department of Human Services, Division of Substance Abuse and Mental Health is the requirement to assure that public funds are expended in an appropriate manner. The Local Authority affirms their intention to meet these requirements by signing the Contract. Examples of these assurances are:

- Compliance with all Federal and State laws prohibiting discrimination against any protected class;
- Compliance with the drug free workplace statutes;
- Compliance with licensing laws;
- Prohibition of conflicts of interest;
- Compliance with the Hatch Act where appropriate;
- Compliance with the Fair Labor Standards Act;
- Compliance with Immigration and Naturalization rules for employment eligibility verification;
- Compliance with the Copeland Anti Kick-back Act;
- Compliance with the Utah Clean Air Act; and

- Compliance with the Utah Occupational and Safety Health Act.

During the onsite monitoring review, DSAMH staff visually checked staff areas and public lobbies for required postings. In addition, agency policies and procedures, personnel files and contracts were examined for compliance.

Our reviews of policies and procedures found no exceptions to this requirement to maintain and update Federal and State assurances. All offices visited maintained the required fiduciary postings and they are commonly located near photocopiers or in staff break rooms.

#### **Standard Terms and Conditions:**

The standard terms and conditions of the mental health and substance abuse contracts were reviewed for compliance. As Local Authorities enter into subcontracting agreements for services, they must require the same level of compliance as is required of them in contracts with DSAMH. All agencies are actively engaged in the ongoing process of incorporating required Standard Terms and Conditions into their contracts. This is also an ongoing education process due to staff turnover within the agencies. All agencies have incorporated many of the contractual Standard Terms and Conditions into agency policy.

Personnel files reviewed demonstrated an increasing number of Local Authorities are now annually updating BCI certification and code of conduct. An I-9 form is completed at the time of employment and filed either in the personnel files or central location.

#### **Policies and Procedures**

We reviewed each Local Authority's policies and procedures in the areas of Administration, Clinical Practice, Personnel, Finance, Procurement and Management. During our review, we examined board minutes, personnel files, and check registers for consistent compliance with these policies.

Policies governing administration and business practices, clinical practice, personnel, financial, and management activities were consistently present. Based on the size and expertise present, some policies and procedures are much more comprehensive than others. In addition to having policies, each Local Authority incorporates policy reviews into new employee orientation and/or ongoing training requirements. There were instances where a lack of training contributed to errors in some program reviews. Recommendations were issued that additional training efforts be made to ensure all staff members maintain an acceptable level of competence in all aspects of the business. These recommendations included requirements that training be documented and notice provided to DSAMH when training has been conducted.

Conflict of interest and dual employment policies and procedures were reviewed. Several agencies require staff to voluntarily report potential conflicts of interest or dual employment. In monitoring visit discussions related to conflicts of interest, suggestions were made to incorporate an annual updating of this form during the annual performance evaluation process. Our review of personnel files (or other filing systems) routinely included required documentation of dual employment and conflict of interest. The rare absence of these forms in personnel files were found to be an oversight based on the staffs' indication that they did not engage in dual employment; or as found in some instances the product of misfiling. However, some policies do not require a form to be signed unless there is an actual conflict of interest or dual employment present.

Forms documenting dual employment and conflicts of interest by the Local Authorities include enough information to assess inappropriate conflicts.

Policies prohibiting relationships with a potential for personal, business or third party gain exist in all cases. Personnel files were examined for third party relationship disclosures and no exceptions were noted. The members of Boards of Directors completed the required declarations.

All new employees are provided with a basic new employee orientation soon after employment commences. The minimum training includes the DHS Code of Conduct, Unlawful Harassment, Conflict of Interest/Dual Employment, Third Party Relationships, and agency policies. Evidence of training is maintained in employee files examined.

All Local Authorities and service providers include the client's right to submit grievances in the "Clients Rights and Responsibilities" frequently this policy is included with the HIPAA information provided in intake packets and reviewed by staff with applicants.

All Local Authorities and service providers have procedures in place to formally review and address client grievances including requirements to log grievances received verbally. All are in compliance with Medicaid client grievance reporting requirements.

Each Local Authority or service provider has established policies and procedures governing client record protections. Client record protection is included in new employee orientation. Client confidentiality is included periodically during staff training sessions. As noted in some program review above, some client files contained incomplete confidentiality forms. Recommendations have been issued requiring that all files be corrected.

F. Independent Audit:

Each Local Authority contracts with an independent auditing firm for an annual audit. Included in the audit report is the auditors' report is the statement that the audit was conducted in accordance with generally accepted auditing standards; financial auditing standards contained in *Government Auditing Standards*; and, in some cases, in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Audit guidelines are documented in the State of Utah Legal Compliance Audit Guide. The Division of Substance Abuse and Mental Health (DSAMH), in conjunction with the Utah State Auditor's Office, update these guidelines annually. Each year, the Local Authorities, and/or their comprehensive service providers, invite the DSAMH and Department of Human Services (DHS) to the audit opening and closing conferences. During the opening conference, we have the opportunity to request an examination of any specific issues we believe may require attention beyond the role of monitoring.

The opportunity to annually update the Audit Guide combined with the opportunity to attend audit opening and closing conferences, give the DSAMH confidence in their input into the audit process. State of Utah standards and the requirement that the independent auditing firms comply with generally accepted auditing standards provides confidence in the results included in the required audit reports.